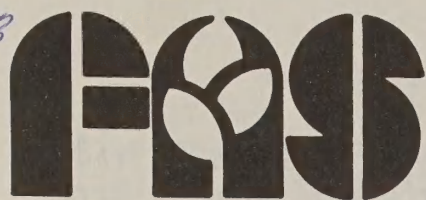


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REPORT

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 30-81

WASHINGTON, JULY 29--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade.

GRAIN AND FEED

The SOVIET UNION has announced the preliminary sown area figure for the 1981 grain crop as 126.4 million hectares. This figure, published July 24 in the midyear plan fulfillment report, is below the 126.5 million hectares currently estimated by USDA. Given the usual reduction between the announced preliminary area figure and actual harvest area, the 1981 grain area in the USSR will be the lowest since 1972, when 120.2 million hectares were harvested. The 1981 grain area target was set by the Soviets at 127 to 128 million hectares. In 1979 and 1980, the respective areas harvested were 126.4 and 126.6 million hectares. For those same years, the preliminary sown areas were 130.2 and 130.0 million hectares.

The EUROPEAN COMMUNITY (EC) Commission, reportedly has decided upon full-scale market intervention to support wheat prices during the first three months of the 1981/82 (Aug.-July) marketing year. This action is in lieu of a proposal to support internal market prices through subsidies to incorporate wheat into livestock feed.

Intervention will be at the reference price for bread wheat adjusted for minimum quality (about US \$190 per ton) and to national currencies and should provide the stimulus to move additional quantities of soft wheat off the EC market and into intervention stocks over the three-month period. Eventually, however, unless the EC decides to carry larger stocks, this wheat will have to come forward. In the past, intervention stocks have been sold on the world market at subsidized prices. During the first three weeks of the 1981/82 wheat campaign, the EC authorized exports of 875,000 tons of wheat at subsidies ranging up to the equivalent of US \$70 per ton.

TURKEY, normally an exporter of wheat, may import wheat in the near-term. Although Turkish production appears not to have declined, the government marketing agency (TMO) has been unable to acquire sufficient wheat from producers at fixed support prices.

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OILSEEDS AND PRODUCTS

BRAZIL and the SOVIET UNION signed a five-year (1982-86) trade agreement in Moscow July 15. Under this agreement, Brazil will provide more than \$300 million of farm products annually in exchange for Soviet petroleum. Soviet oil shipments will start in August.

The minimum farm products Brazil has agreed to provide the Soviets each year are 500,000 tons of soybeans, 400,000 tons of soybean meal and 40,000 tons of soybean oil. A separate part of the agreement covers 500,000 tons of corn to be supplied each year of the agreement beginning in 1983.

The Soviets have been major customers for Brazilian soybeans and products thus far this year. Brazil's shipments through June totaled 483,500 tons of soybeans, 277,300 tons of meal and 58,400 tons of oil. In 1980, Brazil exported 118,300 tons of soybeans and 32,000 tons of soybean oil to the Soviet Union.

BRAZIL is currently loading some 65,000 tons of soybean oil on a single vessel for shipment to Iran. According to shipping sources, this will be the largest shipment ever to load in Brazil. Brazil already has exported 62,500 tons of soybean oil to Iran during the first six months of 1981 (Jan.-June). As one of the world's major soybean oil importers, Iran's total imports in 1981 are expected to be 270,000 tons.

In 1980, Iran was Brazil's second largest customer, taking 218,000 tons or 29 percent of all soybean oil exports. Before 1980, Iran was a major customer for U.S. soybean oil, but has taken virtually no U.S. soybean oil during the past eighteen months.

BRAZIL and GHANA have signed an agreement covering joint financing of development projects in Ghana totaling \$150 million. One of the projects involves soybeans, with the Brazilian financing coming from both government and private sources. In addition, Brazil is extending Ghana a \$35-million credit line to purchase agricultural and road repair equipment. Brazilian firms are currently establishing four soybean farms in the Ivory Coast under a \$50-million project involving both governments.

HORTICULTURAL AND TROPICAL PRODUCTS

WORLD MINT OIL production 1980 totaled an estimated 7,549 tons. Of this amount, the United States accounted for 3,060 tons, followed by China with 1,685 tons and Paraguay with 1,100 tons. Other producers of note included Brazil, Taiwan, India and the Soviet Union.

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During 1980, exports of U.S. mint oil at 1,539 tons valued at \$38.2 million fell in both quantity and value. In 1980, the most important destination of U.S. mint oil was the European Community. Japan ranked first as a single country market for U.S. spearmint oil and second as a buyer of U.S. peppermint oil. Other important mint oil purchasers included Mexico and Canada. Peppermint oil accounted for 65 percent of all mint oil exports in 1980, with spearmint oil making up the remainder.

In INDIA, dry weather has reduced tea production this year, and the crop is expected to be below the record 1980 outturn of 576,000 tons. The harvest for January-May 1981 totaled 123,571 tons, down 8.5 percent from the 135,070 tons produced during the corresponding months in 1980.

WORLD COCOA consumption has increased as a result of large global supplies and lower prices. U.S. cocoa bean grindings during the second quarter of 1981 totaled 46,001 tons, 46 percent greater than for the similar period a year earlier when grindings were 31,489 tons. U.S. grindings for the first half of 1981 were 94,359 tons, 45 percent above a year-earlier level.

In major West European countries cocoa bean grindings also are higher this year. The Netherlands second quarter grind amounted to 34,290 tons, 9.3 percent greater than for the corresponding 1980 period, bringing the total for the first six months of 1981 to 70,330 tons, compared with 66,450 tons for the January-June period a year ago. West German grind for the second quarter was reported at a 6.2-percent increase over the 35,405 tons ground during the similar months of 1980, and the United Kingdom also is expected to report higher grind levels for the second quarter, following a 38-percent increase for the January-March 1981 period.

DAIRY, LIVESTOCK AND POULTRY

ITALY will prohibit the import of any live bovine or ovine animals effective Aug. 17. The government took this action after notification from the European Community (EC) Commission that Italy has not been in compliance with an EC directive which prohibited imports of these animals from countries infected with ovine catarrhal fever (blue tongue).

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	July 28, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			
Canadian No. 1 CWRS-13.5%.....	241.00	6.56	+12
U.S. No. 2 DNS/NS: 14%.....	194.00	5.28	+10
U.S. No. 2 DHW/HW: 13.5%.....	200.00	5.44	0
U.S. No. 2 S.R.W.....	161.00	4.38	+11
U.S. No. 3 H.A.D.....	193.00	5.25	+11
Canadian No. 1 A: Durum.....	1/	1/	1/
Feed grains:			
U.S. No. 3 Yellow Corn.....	149.00	3.78	-08
U.S. No. 2 Sorghum 2/.....	160.00	4.06	+05
Feed Barley 3/.....	132.00	2.87	+10
Soybeans:			
U.S. No. 2 Yellow.....	294.00	8.00	+09
Argentine 4/.....	289.00	7.87	+11
U.S. 44% Soybean Meal (M.T.)..	245.00	--	+8.00 5/
EC Import Levies			
Wheat 6/.....	83.00	2.25	-23
Barley.....	61.75	1.34	-26
Corn.....	62.85	1.60	+08
Sorghum.....	55.45	1.41	-03

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis August delivery.